



# CITIZENS BANK

*It's where you belong*

REGISTERED OFFICE: 201 Camp and Charlotte Sts., Georgetown, Guyana. Tel: 226-1705/9, Fax: 226-1719 or 227-8251  
Statutory Information Published in Accordance with Supervision Guideline 10 issued under the Financial Institutions Act 1995

## QUARTERLY REPORT - FOR THE QUARTER ENDED 30 JUNE 2016

### STATEMENT OF INCOME

Thousands of Guyana Dollars	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	For the three months ended 30-Jun-16	For the three months ended 30-Jun-15	For the six months ended 30-Jun-16	For the six months ended 30-Jun-15	For the nine months ended 30-Jun-16	For the nine months ended 30-Jun-15	For the year ended 30-Sep-15
INTEREST INCOME	755,281	803,683	1,523,859	1,493,976	2,308,869	2,251,849	3,251,754
INTEREST EXPENSE	(183,270)	(153,309)	(360,534)	(295,855)	(526,250)	(439,948)	(601,522)
<b>NET INTEREST INCOME</b>	<b>572,011</b>	<b>650,374</b>	<b>1,163,325</b>	<b>1,198,121</b>	<b>1,782,619</b>	<b>1,811,901</b>	<b>2,650,232</b>
OTHER INCOME	102,293	107,921	202,757	207,305	308,536	344,495	456,162
<b>TOTAL NET INCOME</b>	<b>674,304</b>	<b>758,295</b>	<b>1,366,082</b>	<b>1,405,426</b>	<b>2,091,155</b>	<b>2,156,396</b>	<b>3,106,394</b>
OPERATING EXPENSES	(295,547)	(272,575)	(594,079)	(546,512)	(917,168)	(834,573)	(1,159,577)
NET IMPAIRMENT ON FINANCIAL ASSETS	(32,130)	(48,827)	(63,510)	(105,551)	(96,836)	(146,905)	(479,418)
<b>PROFIT BEFORE TAXATION</b>	<b>346,627</b>	<b>436,893</b>	<b>708,493</b>	<b>753,363</b>	<b>1,077,151</b>	<b>1,174,918</b>	<b>1,467,399</b>
TAXATION CHARGE	(139,505)	(168,997)	(287,578)	(286,702)	(429,189)	(447,669)	(560,553)
<b>PROFIT AFTER TAXATION</b>	<b>207,122</b>	<b>267,896</b>	<b>420,915</b>	<b>466,661</b>	<b>647,962</b>	<b>727,249</b>	<b>906,846</b>
<b>EARNINGS PER SHARE</b>	<b>\$3.48</b>	<b>\$4.50</b>	<b>\$7.08</b>	<b>\$7.84</b>	<b>\$10.89</b>	<b>\$12.22</b>	<b>\$15.24</b>

### STATEMENT OF COMPREHENSIVE INCOME

Thousands of Guyana Dollars	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	For the three months ended 30-Jun-16	For the three months ended 30-Jun-15	For the six months ended 30-Jun-16	For the six months ended 30-Jun-15	For the nine months ended 30-Jun-16	For the nine months ended 30-Jun-15	For the year ended 30-Sep-15
PROFIT AFTER TAXATION	207,122	267,896	420,915	466,661	647,962	727,249	906,846
OTHER COMPREHENSIVE INCOME:							
<i>Items that may be subsequently reclassified to profit or loss</i>							
Fair value gain / (loss) on available-for-sale asset	592	534	(533)	(2,723)	947	3,494	2,901
Deferred tax (charge) / credit on fair value gain / (loss) on available-for-sale asset	(237)	(214)	213	1,089	(379)	(1,398)	(1,160)
	<b>355</b>	<b>320</b>	<b>(320)</b>	<b>(1,634)</b>	<b>568</b>	<b>2,096</b>	<b>1,741</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>207,477</b>	<b>268,216</b>	<b>420,595</b>	<b>465,027</b>	<b>648,530</b>	<b>729,345</b>	<b>908,587</b>

### STATEMENT OF FINANCIAL POSITION

Thousands of Guyana Dollars	Unaudited As At 30-Jun-16	Unaudited As At 30-Jun-15	Audited As At 30-Sep-15
<b>ASSETS</b>			
Cash and balances with Bank of Guyana	7,791,941	4,675,695	5,921,773
Amounts due from other banks	5,575,737	3,054,674	3,020,996
Investment securities	2,213,466	889,148	757,158
Loans and advances	28,847,260	31,517,764	30,680,174
Other assets	3,337,383	2,431,217	2,734,359
<b>TOTAL ASSETS</b>	<b>47,765,787</b>	<b>42,568,498</b>	<b>43,114,460</b>
<b>LIABILITIES</b>			
Customers' deposits	39,296,660	34,776,611	34,905,524
Other liabilities	724,314	732,067	969,874
<b>TOTAL LIABILITIES</b>	<b>40,020,974</b>	<b>35,508,678</b>	<b>35,875,398</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	594,913	594,913	594,913
Statutory reserve	594,913	594,913	594,913
General banking risk reserve	440,058	587,088	587,088
Other reserves	33,279	32,740	32,711
Retained earnings	6,081,650	5,250,166	5,429,437
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,744,813</b>	<b>7,059,820</b>	<b>7,239,062</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>47,765,787</b>	<b>42,568,498</b>	<b>43,114,460</b>

### STATEMENT OF CHANGES IN EQUITY

Thousands of Guyana Dollars

	Share Capital	Statutory Reserve	Revaluation Reserve	Investment Revaluation Reserve	General Banking Risk Reserve	Retained Earnings	Total
<b>For the six months ended 30 June 2015</b>							
As at beginning of period	594,913	594,913	33,838	536	296,760	5,216,612	6,737,572
Total comprehensive income	0	0	0	(1,634)	0	466,661	465,027
Transfer from general banking risk reserve	0	0	0	0	290,328	(290,328)	0
Dividend paid	0	0	0	0	0	(142,779)	(142,779)
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>33,838</b>	<b>(1,098)</b>	<b>587,088</b>	<b>5,250,166</b>	<b>7,059,820</b>
<b>For the six months ended 30 June 2016</b>							
As at beginning of period	594,913	594,913	34,164	(565)	383,372	5,860,200	7,466,997
Total comprehensive income	0	0	0	(320)	0	420,915	420,595
Transfer from general banking risk reserve	0	0	0	0	56,686	(56,686)	0
Dividend paid	0	0	0	0	0	(142,779)	(142,779)
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>34,164</b>	<b>(885)</b>	<b>440,058</b>	<b>6,081,650</b>	<b>7,744,813</b>
<b>For the nine months ended 30 June 2015</b>							
As at beginning of period	594,913	594,913	33,838	(3,194)	296,760	4,956,024	6,473,254
Total comprehensive income	0	0	0	2,096	0	727,249	729,345
Transfer from general banking risk reserve	0	0	0	0	290,328	(290,328)	0
Dividend paid	0	0	0	0	0	(142,779)	(142,779)
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>33,838</b>	<b>(1,098)</b>	<b>587,088</b>	<b>5,250,166</b>	<b>7,059,820</b>
<b>For the nine months ended 30 June 2016</b>							
As at beginning of period	594,913	594,913	34,164	(1,453)	587,088	5,429,437	7,239,062
Total comprehensive income	0	0	0	568	0	647,962	648,530
Transfer from general banking risk reserve	0	0	0	0	(147,030)	147,030	0
Dividend paid	0	0	0	0	0	(142,779)	(142,779)
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>34,164</b>	<b>(885)</b>	<b>440,058</b>	<b>6,081,650</b>	<b>7,744,813</b>

### STATEMENT OF CASH FLOWS

Thousands of Guyana Dollars	Unaudited For the six months ended 30-Jun-16	Unaudited For the six months ended 30-Jun-15	Unaudited For the nine months ended 30-Jun-16	Unaudited For the nine months ended 30-Jun-15	Audited For the year ended 30-Sep-15
<b>OPERATING ACTIVITIES</b>					
Profit before taxation	708,493	753,363	1,077,151	1,174,918	1,467,399
Adjustments to reconcile net profit to net cash provided by operating activities:					
Adjustment for non - cash items	58,401	60,481	89,797	90,822	123,869
Decrease / (increase) in operating assets	550,720	(1,055,832)	1,164,006	(3,088,392)	(1,726,102)
Increase in operating liabilities	561,323	1,189,266	4,115,945	1,179,614	1,572,388
Reserve requirement with Bank of Guyana	(222,546)	(176,409)	(574,777)	(135,773)	17,330
Taxes paid	(264,811)	(336,171)	(402,252)	(470,910)	(608,407)
<b>NET CASH INFLOW / (OUTFLOW) - OPERATING ACTIVITIES</b>	<b>1,391,580</b>	<b>434,698</b>	<b>5,469,870</b>	<b>(1,249,721)</b>	<b>846,477</b>
<b>INVESTING ACTIVITIES</b>					
Net movement of investment securities	(674,636)	1,729,647	(1,671,675)	2,149,323	2,273,735
Purchase of property and equipment	(13,686)	(12,025)	(22,058)	(89,050)	(931,248)
Purchase of intangible assets	(969)	0	(5,555)	(2,845)	(15,958)
Proceeds from sale of property and equipment	5,215	350	6,015	350	600
<b>NET CASH (OUTFLOW) / INFLOW - INVESTING ACTIVITIES</b>	<b>(684,076)</b>	<b>1,717,972</b>	<b>(1,693,273)</b>	<b>2,057,778</b>	<b>1,327,129</b>
<b>FINANCING ACTIVITIES</b>					
Dividends paid	(142,779)	(142,779)	(142,779)	(142,779)	(142,779)
Proceeds from borrowings	0	0	0	1,640,000	0
Repayment of borrowings	0	(1,640,000)	0	(2,940,000)	(1,300,000)
<b>NET CASH (OUTFLOW) / INFLOW - FINANCING ACTIVITIES</b>	<b>(142,779)</b>	<b>(1,782,779)</b>	<b>(142,779)</b>	<b>(1,442,779)</b>	<b>(1,442,779)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>564,725</b>	<b>369,891</b>	<b>3,633,818</b>	<b>(634,722)</b>	<b>730,827</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD</b>	<b>8,422,371</b>	<b>3,617,838</b>	<b>5,353,278</b>	<b>4,622,451</b>	<b>4,622,451</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>8,987,096</b>	<b>3,987,729</b>	<b>8,987,096</b>	<b>3,987,729</b>	<b>5,353,278</b>

On behalf of the Board of Directors

  
CLIFFORD B. REIS  
Chairman

  
ETON M. CHESTER  
Managing Director



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## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - 30 JUNE 2016

### 1. ACCOUNTING POLICIES

These interim financial statements were prepared to comply with Supervision Guideline 10 as issued by the Bank of Guyana. The accounting policies used are consistent with those applied in the annual financial statements for the year ended 30 September 2015.

### 2. TAXATION

The taxation charge is based on the actual results of the period, adjusted for the provisions of the applicable tax legislation, and includes an allowance for deferred taxation. Deferred taxation is computed using the liability method for all temporary differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes.

### 3. DIRECTORS' INTERESTS

	Ordinary Shares of No Par Value	
	Beneficial Interest	Associate's Beneficial Interest
Clifford B. Reis	Nil	125,000
Rakesh K. Puri	Nil	9,929,241
Eton M. Chester	10,001	Nil

No other Director or his known associate has any beneficial interest in any shares of the Company.

### 4. SUBSTANTIAL SHAREHOLDERS

	Ordinary Shares of No Par Value
Banks DIH Limited	30,340,557
Continental Agencies Limited	9,929,241
Hand-In-Hand Group	5,318,856
Hand-In-Hand Pension Scheme	4,615,385

A substantial shareholder is defined as a person or entity entitled to exercise, or control the exercise of five percent (5%) or more of the voting power at any general meeting.

### 5. RELATED PARTY BALANCES AND TRANSACTIONS

	As At 30-June-16 \$'000	As At 30-June-15 \$'000	As At 30-Sept-15 \$'000
Loans	1,114,517	1,242,084	1,258,721
Deposits	10,069,107	7,411,514	8,161,515
Guarantees	25,251	31,244	25,251
	<b>For nine months Ended 30-June-16 \$'000</b>	<b>For nine months Ended 30-June-15 \$'000</b>	<b>For nine months Ended 30-Sept-15 \$'000</b>
Interest Income	78,882	73,139	143,976
Interest Expense	41,084	30,733	51,641

Related parties include major shareholders, key management personnel and other organisations controlled or significantly influenced by key management personnel

### 6. INTRA-GROUP OBLIGATIONS

Banks DIH Limited, the parent company of Citizens Bank Guyana Inc. has outstanding obligations comprising of loans and guarantees totalling \$552.5 million owing to the Bank as at 30 June 2016 (30 June 2015: \$617.6 million). Of the \$552.5 million obligations, \$15.0 million are guarantees while loans total \$537.5 million (30 June 2015: \$17.9 million were guarantees while loans totalled \$599.7). These obligations are included in balances shown in the Note (5).

### 7. CAPITAL COMMITMENTS

	As At 30-June-16 \$'000	As At 30-June-15 \$'000	As At 30-Sept-15 \$'000
<b>Capital commitment for property and equipment</b>			
Authorised but not contracted for	206,494	750,592	211,230
Authorised and contracted for	149,505	398,082	805,378

### 8. FAIR VALUE

*Asset carried at fair value*

The company's available - for sale investment security of \$134.2 million (2015: \$133.8 million) is carried at fair value based on a quoted price from an active market. It would therefore be classified as level 1.

*Assets and liabilities not carried at fair value*

The table below shows the fair value of assets and liabilities which are not carried at fair value on the statement of financial position but for which disclosures of fair value is required.

	IFRS 13 Level	30-June-16 Carrying Amount	30-June-16 Fair Value	30-June-15 Carrying Amount	30-June-15 Fair Value
<b>Assets:</b>					
Investment securities (Held-to-maturity)	Level 2	2,079,290	2,080,843	755,327	762,819
Loans and advances	Level 2	28,847,260	29,067,564	31,517,764	31,856,663

The fair value of held to maturity investment securities and loans and advances are based on net present values using discount rates reflective of market rates for similar assets.

The fair values of other financial assets and liabilities approximate to their carrying amounts given short term maturity.